

State of Alaska FY2007 Governor's Operating Budget

Department of Health and Social Services Senior Care Component Budget Summary

Component: Senior Care

Contribution to Department's Mission

Senior Care helps low-income seniors who are at least 65 years of age remain independent in the community by providing a cash or prescription drug benefit as well as information and referral services.

Core Services

- Financial assistance or prescription drug benefit.
- Information and referral services.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$14,345,400

Personnel:

| | |
|--------------|----------|
| Full time | 4 |
| Part time | 0 |
| Total | 4 |

Key Component Challenges

The Alaska Legislature reauthorized the Senior Care Program in May 2005 with a sunset date of June 2007. Program administration will transfer from the Division of Alaska Pioneer Homes to the Division of Public Assistance effective approximately January 1, 2006. Preventing interruptions in benefits and ensuring a smooth transition, policies, procedures and information systems will need to be developed prior to this date.

Significant Changes in Results to be Delivered in FY2007

The new Senior Care program will continue to pay a cash benefit to eligible seniors but will also cover premiums and deductibles for Medicare Part D, or comparable insurance, for Alaska seniors with annual incomes between 135 and 175 percent of the 2005 federal poverty level.

Major Component Accomplishments in 2005

- Cash benefits were provided to over 6,900 low-income seniors.
- Prescription drug benefits were added to the Senior Care package of services and provided to approximately 60 low-income seniors.
- Legislation passed during the 24th Alaska Legislature reauthorizing the Senior Care program and creating a new "wrap around" benefit for recipients of the Medicare Part D option available to seniors in January 2006.

Statutory and Regulatory Authority

Chapter 3 SLA 04

Contact Information

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Senior Care Component Financial Summary

All dollars shown in thousands

| | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|--------------------------------|----------------|---------------------------|-----------------|
| Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 184.9 | 196.5 |
| 72000 Travel | 0.0 | 6.5 | 6.5 |
| 73000 Services | 0.0 | 134.5 | 134.5 |
| 74000 Commodities | 0.0 | 29.0 | 29.0 |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Benefits | 9,795.3 | 13,978.9 | 13,978.9 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,795.3 | 14,333.8 | 14,345.4 |
| Funding Sources: | | | |
| 1189 Senior Care Fund | 9,795.3 | 14,333.8 | 14,345.4 |
| Funding Totals | 9,795.3 | 14,333.8 | 14,345.4 |

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2006 Management Plan | 0.0 | 0.0 | 14,333.8 | 14,333.8 |
| Adjustments which will continue current level of service: | | | | |
| -FY 07 Wage Increases for Bargaining Units and Non-Covered Employees | 0.0 | 0.0 | 3.2 | 3.2 |
| -FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees | 0.0 | 0.0 | 0.6 | 0.6 |
| -FY 07 Retirement Systems Cost Increase | 0.0 | 0.0 | 6.0 | 6.0 |
| Proposed budget increases: | | | | |
| -Risk Management Self-Insurance Funding Increase | 0.0 | 0.0 | 1.8 | 1.8 |
| FY2007 Governor | 0.0 | 0.0 | 14,345.4 | 14,345.4 |

Senior Care Personal Services Information

| Authorized Positions | | | Personal Services Costs | |
|----------------------|---|----------------------------------|--------------------------------|----------------|
| | <u>FY2006</u> <u>Management</u> <u>Plan</u> | <u>FY2007</u> <u>Governor</u> | | |
| Full-time | 4 | 4 | Annual Salaries | 118,427 |
| Part-time | 0 | 0 | COLA | 3,272 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 79,655 |
| | | | Less 2.41% Vacancy Factor | (4,854) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 4 | 4 | Total Personal Services | 196,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------|-----------|-----------|----------|----------|----------|
| Administrative Clerk II | 0 | 0 | 0 | 1 | 1 |
| Elig Technician I | 0 | 0 | 0 | 2 | 2 |
| Elig Technician III | 0 | 0 | 0 | 1 | 1 |
| Totals | 0 | 0 | 0 | 4 | 4 |